

Message Text

CONFIDENTIAL

PAGE 01 STATE 113210
ORIGIN NEA-11

INFO OCT-01 ISO-00 ONY-00 /012 R

DRAFTED BY NEA/ARP:JCWEST:SLB
APPROVED BY NEA/ARP:JWTWINAM
DESIRED DISTRIBUTION
NEA ONLY

-----012685 040049Z /73

O 040001Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA IMMEDIATE

C O N F I D E N T I A L STATE 113210

FROM AMBASSADOR FOR GORDON DANIELS - EYES ONLY

E.O. 11652: GDS

TAGS: ASIG, SA

SUBJECT: INSPECTION REPORT FINDINGS AND RECOMMENDATIONS
1. REPORT OF INSPECTOR GENERAL SAYRE WAS MOST REASSURING
AND CONTAINED ONLY POSITIVE FINDINGS AND RECOMMENDATIONS.
HE RECOMMENDS THAT THE EMBASSY CONSIDER A PLAN TO PROVIDE A
BASIC LEVEL OF SERVICES TO ASSIST AMERICAN BUSINESSMEN IN
SAUDI ARABIA. WE QUOTE PERTINENT PARTS OF HIS REPORT:

BEGIN QUOTE: I DID ENCOUNTER CONSIDERABLE CONCERN THAT THE
AMBASSADOR IN HIS ZEAL TO MAXIMIZE THE US SHARE OF SALES AND
CONTRACTS IN THE SAUDI MARKET, HAD EXTENDED HIMSELF AND THE
EMBASSY BEYOND WHAT HE AND THE EMBASSY COULD REASONABLY BE
EXPECTED TO SUSTAIN OVER THE LONGER TERM. HE ESTIMATES THAT
HE SPENDS ABOUT 50 PERCENT OF HIS TIME PROMOTING US EXPORTS.
OTHER EMBASSY OFFICERS CONSIDER THE PERCENTAGE TO BE EVEN
HIGHER. WHATEVER THE PERCENTAGE, EXPORT PROMOTION HAS FIRST
PRIORITY. THE AMBASSADOR SEES EVERY AMERICAN BUSINESSMAN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 113210

WHO WANTS TO SEE HIM IF HE HAS THE TIME, HE TRIES TO ASSURE
THEM ACCESS TO THE SAUDI GOVERNMENT, AND OFFERS EMBASSY SER-
VICES ON AN AD HOC BASIS. THIS ATTITUDE IS COMMENDABLE AND
BOTH THE COMMERCIAL AND CONSULAR SERVICE WORLDWIDE WOULD DO
WELL TO CATCH A LITTLE MORE OF THIS SPIRIT OF SERVICE TO
THE AMERICAN PUBLIC...IT WILL BE SUFFICIENT TO NOTE HERE
THAT THE AMERICAN

EMBASSY AT MOSCOW, FOR EXAMPLE, HAS A COMMERCIAL CENTER WHICH PROVIDES, AMONG OTHER THINGS, OFFICE SPACE, A SNACK BAR, AND TELEPHONE, TELEX AND SECRETARIAL SERVICES TO VISITING AMERICAN BUSINESSMEN. IT ALSO PROVIDES MAIL SERVICE. EXCEPT FOR THE MAIL SERVICE, ALL OF THESE SERVICES ARE PROVIDED ON A REIMBURSABLE BASIS. WE HAVE, IN SHORT, MADE A MAJOR EFFORT IN MOSCOW WHERE FACILITIES ARE FAR MORE ADEQUATE THAN IN SAUDI ARABIA BUT THE MARKET POSSIBILITIES MUCH SMALLER. US GOODS EXPORTS TO SAUDI ARABIA IN 1977 WERE OVER TWICE THE EXPORTS TO THE SOVIET UNION AND WHEN SERVICES ARE ADDED, US EXPORTS TO SAUDI ARABIA WERE ABOUT 300 PERCENT GREATER THAN TO THE SOVIET UNION. TWO-WAY TRADE WAS OVER 400 PERCENT GREATER WITH SAUDI ARABIA. BUT WHAT IS EVEN MORE STRIKING IS THAT THE SAUDI GOVERNMENT ALONE EXPECTS TO SPEND 30 BILLION DOLS. A YEAR OVER THE NEXT FIVE YEARS ON ECONOMIC DEVELOPMENT PROGRAMS WITH AN EXCEEDINGLY HEAVY IMPORT COMPONENT IN GOODS AND SERVICES. PROSPECTS IN THE SOVIET UNION DO NOT MATCH THESE POSSIBILITIES.

THE CONCLUSION IS INESCAPABLE THAT AMBASSADOR WEST HAS BEEN TRYING TO CULTIVATE THE EXCEEDINGLY LUCRATIVE SAUDI MARKET TO PROTECT THE DOLLAR AND US BALANCE OF PAYMENTS WITH INADEQUATE ADVICE AND ASSISTANCE. SPECIFICALLY, THE DEPARTMENT OF STATE AND COMMERCE SHOULD CONSIDER ESTABLISHING A BUSINESS FACILITIES OFFICE, OR OFFICES, IN SAUDI ARABIA TO PROVIDE FACILITATIVE SERVICES TO AMERICAN BUSINESSMEN. END QUOTE.

CONFIDENTIAL

PAGE 03 STATE 113210

BLISHING A BUSINESS FACILITIES OFFICE, OR OFFICES, IN SAUDI ARABIA TO PROVIDE FACILITATIVE SERVICES TO AMERICAN BUSINESSMEN. END QUOTE.

WE HAVE DISCUSSED THIS SECTION OF REPORT WITH APPROPRIATE OFFICIALS INCLUDING UNDER SECRETARY READ.

2. BASED ON THIS REPORT AND OUR CONSULTATIONS I WOULD LIKE TO HAVE A PLAN FOR PRESENTATION TO THE DEPARTMENT AS SOON AS POSSIBLE CARRYING OUT THESE BASIC RECOMMENDATIONS. WOULD APPRECIATE YOU AND JOE EBLAN GIVING US THE BENEFIT OF YOUR THOUGHTS AND RECOMMENDATIONS AS SOON AS POSSIBLE. CHRISTOPHER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 may 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE113210
Document Source: CORE
Document Unique ID: 00
Drafter: JCWEST:SLB
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780189-0636
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780593/aaaadbda.tel
Line Count: 107
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0dde98a4-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2792003
Secure: OPEN
Status: NATIVE
Subject: INSPECTION REPORT FINDINGS AND RECOMMENDATIONS
TAGS: ASIG, SA
To: JIDDA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/0dde98a4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014